



Department of Veterans Affairs

FY03 VA Enrollee Health Care Projection Model



Fiscal Years 2002-2022

Contract #GS-23F-8025H

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Prepared by:

Milliman USA, Inc.

Condor Technology Solutions, Inc.

**Department of Veterans Affairs
FY03 VA Enrollee Health Care Projection Model Update
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Section I

Executive Summary

Condor Technology Solutions, Inc. (Condor) was commissioned by the Department of Veterans Affairs (VA) to provide assistance in projecting the estimated cost of providing health care to veterans enrolled within the VA health care system for each fiscal year (FY) from FY 2002 through FY 2022. Condor subcontracted with Milliman USA (Milliman) to perform these projections. This analysis consists of two major components: (1) projecting veteran enrollment in the VA health care system and (2) calculating the estimated health care costs associated with providing services to these Enrollees.

The Veterans Health Administration (VHA), within the Department of Veterans Affairs, administers the largest integrated health care system in the nation. In October 1996, Congress enacted the Veterans' Health Care Eligibility Reform Act of 1996, Public Law 104-262. Although the law simplified the system, it is a significant change from the previous regulations. It required VHA to implement a priority based enrollment system. The number of Priority Levels VHA will be able to deliver care to will be a function of available funding levels and of the utilization of health care services by enrollees.

Each year, VHA undergoes a rigorous review of demand for health care services from veterans and projects an estimate of the costs to deliver care against this demand. The results of these analyses are used to develop VHA health care budgets and to provide executive level information in the decision support for the number of enrollees VHA can fiscally manage. The purpose of this analysis is to provide data and information that will assist the Secretary of the Department of Veterans Affairs with his annual decision regarding the priority group through which VA can continue to enroll veterans for health care services for FY 2003. It is understood that VA will enroll veterans for health care services in FY 2003 who can be supported by available resources such that the quality of care and access to care will not be compromised.

This report and all of the associated models, databases and summary reports were produced for the internal use of the Department of Veterans Affairs. If any portion of this report or the associated databases is released, reference must be made to the entire report. If this report or databases are released to parties outside the government, Condor Technology Solutions, Inc. and Milliman USA, Inc. do not accept liability to any such third party.

General Model Description

The following outline provides a general description of the methodology used to develop the Veteran Enrollment, Health Care Utilization And Expenditure Projection Models (the model). These models were created by Condor and Milliman to support VA's Enrollment Level Decision and were later enhanced to support CARES analyses.

Enrollment Projections

1. Obtain baseline actual enrollment by scrambled SSN
2. Develop enrollment rates using historical enrollment and historical VetPop
3. Develop projections of new enrollees using the rates developed in Step 2, the baseline from Step 1 and VetPop projections
4. Apply mortality rates to enrollment projections

Workload Projections

1. Summarize private sector health care utilization averages by geographic area
2. Adjust utilization to reflect the Medical Benefits Package and Millennium Bill health care services
3. Adjust utilization to reflect the age and gender characteristics of the projected veteran enrollee populations
4. Adjust utilization to reflect the morbidity of the projected veteran enrollee populations relative to the underlying private sector populations (VA patient diagnosis data is used to assess relative morbidity levels)
5. Adjust utilization to reflect the estimated degree of health care management observed within the VA health care system relative to the loosely managed level observed in the local community (VA inpatient diagnosis and workload data used to assess Degree of Management)
6. Adjust utilization to reflect the estimated veteran enrollee reliance on VHA for their health care needs (Veteran enrollee survey data and HCFA match data used to assess reliance)
7. Adjust utilization to reflect the residual differences between modeled and actual historical VA workload (estimates of unmeasured morbidity, reliance and degree of health care management differences)

Unit Cost Projections

1. Obtain baseline CDR-based VA unit cost data
2. Unit cost data adjusted for health care service mix inherent in data
3. Adjust unit costs to reflect reconciliation to historical VA total health care obligations

Expenditure Projections

1. Enrollment, Workload and Unit Cost Projections are combined to produce Expenditure Projections

Summary Results

The model results project that in FY 2003 VHA will require \$23.574 billion for all enrolled veterans. The model further predicts that in FY 2003 there will be an average enrollment of 6.991 million; unique fiscal year enrollees of 7.515 million; a year-end live enrollment of 7.208 million; and unique fiscal year patients of 4.767 million.

Total veteran enrollment for each fiscal year is calculated in terms of member months to estimate enrollee exposure to the VA health care system. The average projected enrollment for each fiscal year (member months divided by 12) is detailed in Table I-1. Since the majority of veterans associated with the VA health care system as users during the three years before official enrollment began in FY 1999 have already enrolled (Enrollee Pre), their mortality reduces the size of this group over time. The majority of the future growth in enrollment comes from the Enrollee Post cohort and this is illustrated in Chart I-1.

Table I-1

<u>Fiscal Year</u>	<u>Projected Enrollee Pre Average Enrollment</u>	<u>Projected Enrollee Post Average Enrollment</u>	<u>Total Projected Average Enrollment</u>
2001*	2,790,128	2,703,925	5,494,053
2002	2,745,267	3,629,887	6,375,154
2003	2,728,469	4,262,936	6,991,405
2004	2,683,423	4,783,787	7,467,210
2005	2,621,698	5,220,948	7,842,646
2006	2,549,661	5,589,508	8,139,169
2007	2,471,139	5,900,367	8,371,506
2008	2,388,676	6,162,294	8,550,970
2009	2,304,012	6,381,896	8,685,908
2010	2,218,372	6,564,847	8,783,219
2011	2,132,705	6,715,706	8,848,411
2012	2,047,716	6,839,816	8,887,532

*FY 2001 is modeled using the FY 2003 Enrollee Health Care Utilization and Expenditure Model

Table I-2 presents the resulting nationwide projected health care expenditures based on the projected average enrollment for each fiscal year. Although Enrollee Pre average enrollment drops over the projection period, the Enrollee Pre annual expenditures increase due to the aging of this population and health care trends. This can be observed in Charts I-1 and I-2.

Table I-2

<u>Fiscal Year</u>	<u>Projected Average Enrollment</u>	<u>Projected Health Care Expenditures</u>
2001	5,494,053	\$17,810,024,540
2002	6,375,154	20,803,035,227
2003	6,991,405	23,573,766,941
2004	7,467,210	26,168,986,396
2005	7,842,646	28,562,337,232
2006	8,139,169	30,842,682,581
2007	8,371,506	33,113,601,960
2008	8,550,970	35,301,258,443
2009	8,685,908	37,367,525,288
2010	8,783,219	39,322,471,218
2011	8,848,411	41,170,202,170
2012	8,887,532	42,674,376,124

Chart I-1. Average Projected Enrollment

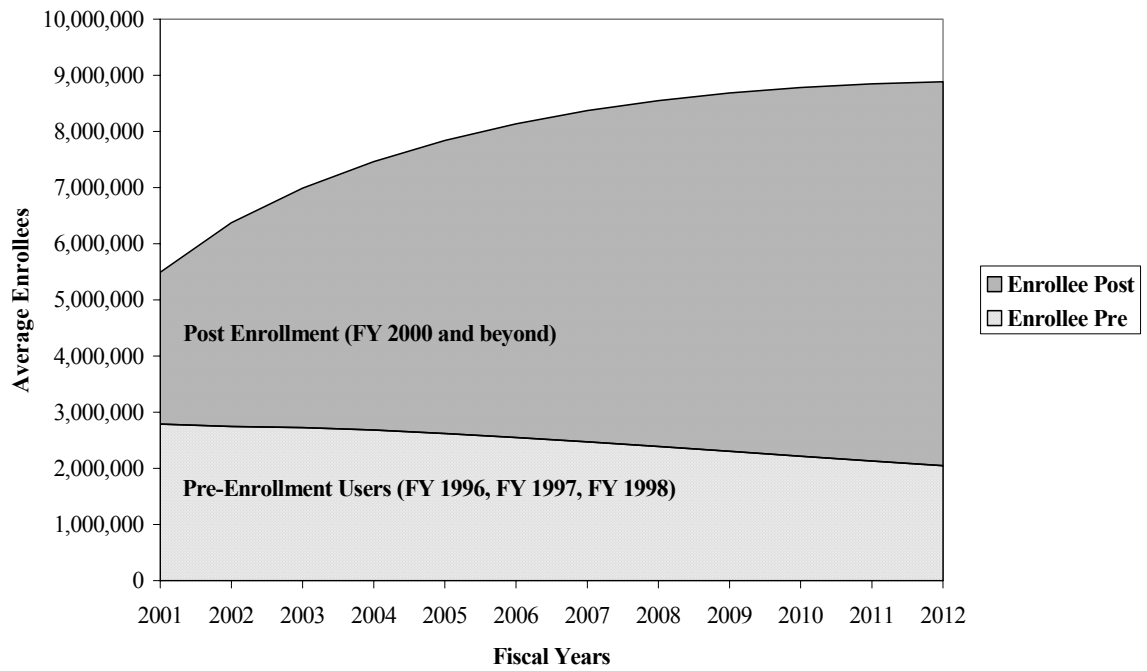
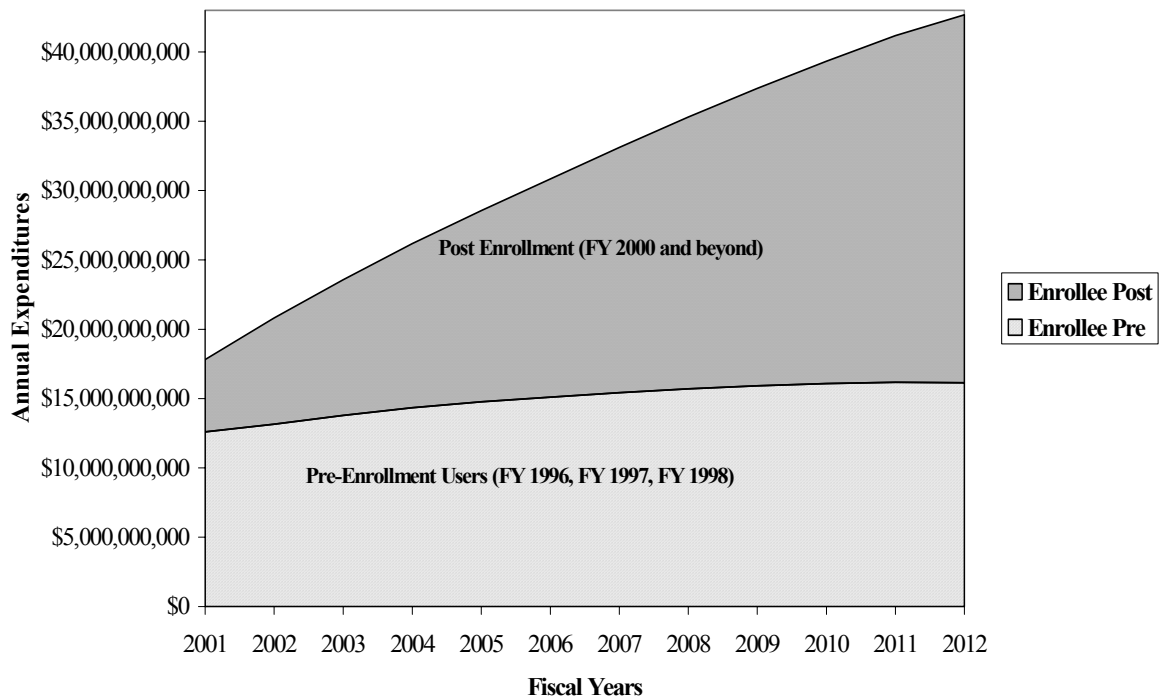


Chart I-2. Projected Annual Expenditures



Tables I-3 and I-4 present the resulting FY 2003 and FY 2004 nationwide projected health care expenditures based on projected average enrollment for each Priority Level. Chart I-3 below illustrates the frequency distribution for average enrollment by Priority Level from FY 2001 to FY 2012. The two largest groups are the non-service-connected (NSC) veteran populations of lower income Priority Level 5 and the higher income Priority Level 7c veterans. The total enrollment peaks at FY 2013 and then declines. Priority Level 1a increases over the entire projection period while Priority Levels 1b and 4 decrease over the entire projection period. The projected expenditures, however, steadily increase each year, as illustrated in Chart I-4 below. In addition, the smaller Priority Levels 1 and 4 require greater expenditures per enrollee than the other Priority Levels.

Table I-3

Priority Level	Projected Average Enrollment for FY 2003	Projected Health Care Expenditures for FY 2003	Cumulative Projected Expenditures by Priority Level
1	564,556	\$4,189,072,742	\$4,189,072,742
2	419,580	1,347,955,755	5,537,028,497
3	876,839	2,234,121,530	7,774,150,027
4	174,887	2,833,375,565	10,607,525,592
5	2,509,805	9,652,468,940	20,259,994,532
6	142,835	159,689,326	20,419,683,858
7a	72,900	149,741,151	20,569,425,009
7c	<u>2,230,003</u>	<u>3,004,341,932</u>	23,573,766,941
Total	6,991,405	\$23,573,766,941	

Table I-4

Priority Level	Projected Average Enrollment for FY 2004	Projected Health Care Expenditures for FY 2004	Cumulative Projected Expenditures by Priority
1	569,095	\$4,435,730,592	\$4,435,730,592
2	425,890	1,445,892,236	5,881,622,828
3	906,007	2,435,644,441	8,317,267,269
4	174,184	2,991,868,336	11,309,135,605
5	2,634,052	10,820,380,021	22,129,515,626
6	159,413	192,717,126	22,322,232,752
7a	81,765	178,293,599	22,500,526,351
7c	<u>2,516,804</u>	<u>3,668,460,045</u>	26,168,986,396
Total	7,467,210	\$26,168,986,396	

Chart I-3. Average Projected Enrollment

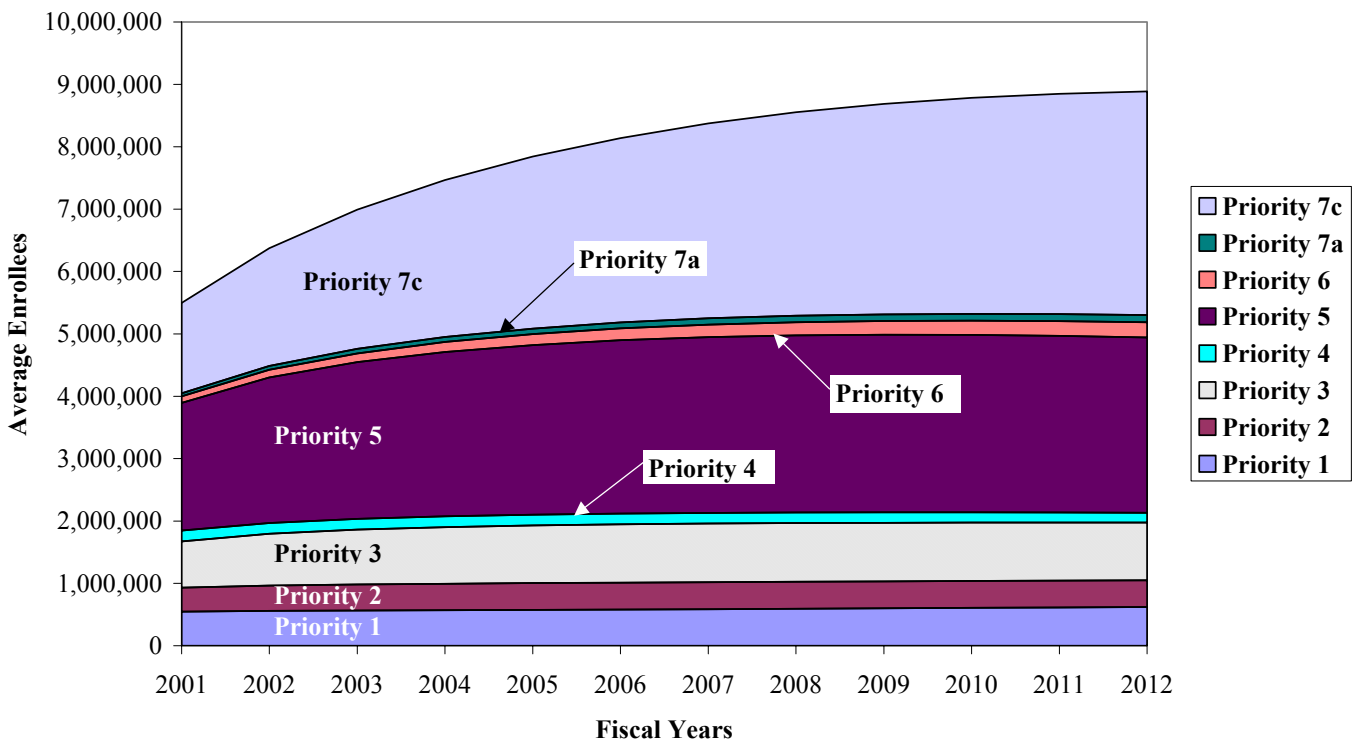
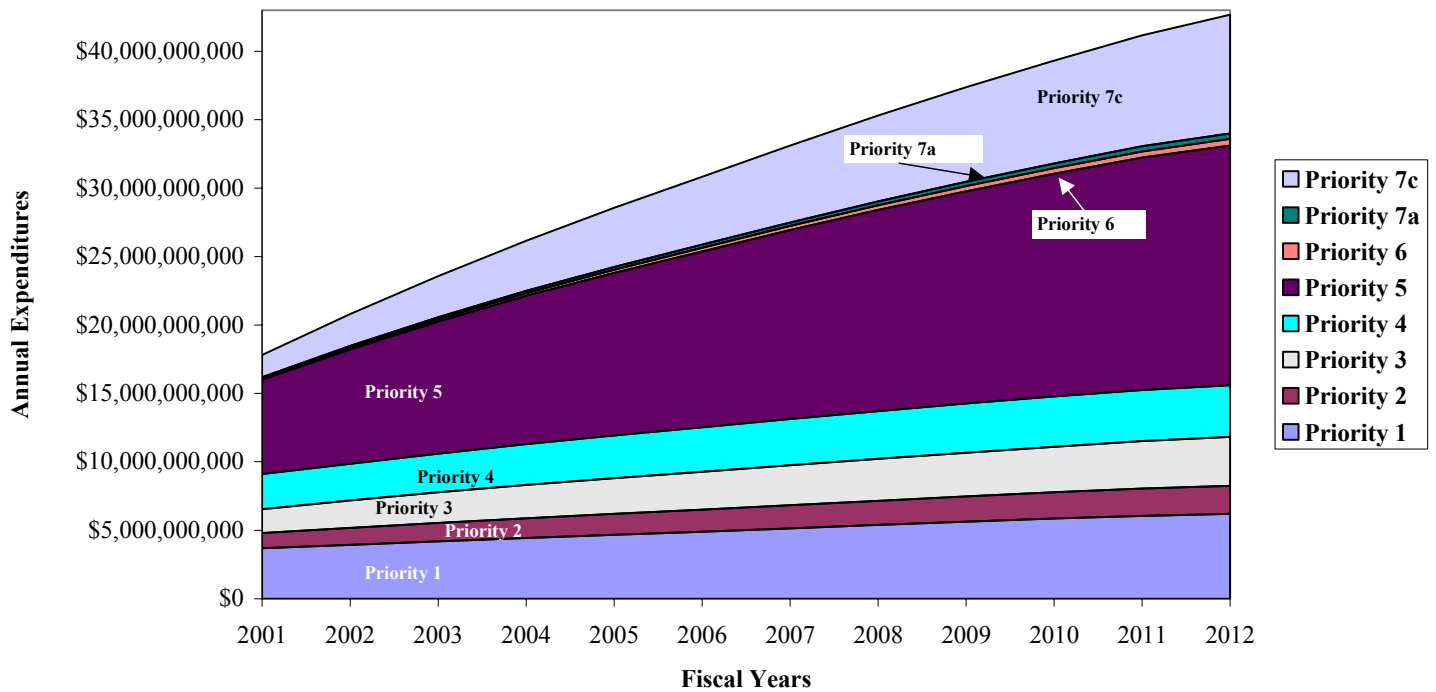


Chart I-4. Projected Annual Expenditures



Exhibits I-1 through I-12 (attached to the end of this section) provide additional detail supporting these projections.

A patient projection model was also developed based on the underlying private sector patient assumptions, the projection of unique Enrollees and various adjustment factors. This process is described in Section XII, Patient Projection Analysis. The projected unique patients for each fiscal year are as follows:

Table I-5

<u>Fiscal Year</u>	<u>Projected Unique Patients for Enrollee Pre</u>	<u>Projected Unique Patients for Enrollee Post</u>	<u>Total Projected Unique Patients</u>
2001	2,085,458	1,856,474	3,941,932
2002	2,081,957	2,334,460	4,416,417
2003	2,058,896	2,707,673	4,766,569
2004	2,012,346	3,005,932	5,018,278
2005	1,958,176	3,258,345	5,216,521
2006	1,898,901	3,473,036	5,371,937
2007	1,836,287	3,655,022	5,491,309
2008	1,771,745	3,807,955	5,579,700
2009	1,706,409	3,936,364	5,642,773
2010	1,641,452	4,042,974	5,684,426
2011	1,577,288	4,130,968	5,708,256
2012	1,513,902	4,199,230	5,713,132

Table I-6

<u>Priority Level</u>	<u>Projected Average Enrollment for FY 2003</u>	<u>Projected Total Unique Enrollees For FY 2003</u>	<u>Estimated Current, Live Year-End Enrollment for FY 2003</u>	<u>Estimated Unique Patients for FY 2003</u>
1	564,556	589,649	564,754	461,293
2	419,580	437,998	421,897	296,865
3	876,839	922,798	890,281	554,476
4	174,887	187,346	173,682	162,722
5	2,509,805	2,682,953	2,566,614	1,959,740
6	142,835	153,815	150,453	81,406
7a	72,900	79,170	77,033	41,914
7c	2,230,003	2,461,270	2,362,948	1,208,150
Total	6,991,405	7,514,999	7,207,661	4,766,566

Table I-7

<u>Fiscal Year</u>	<u>Projected Average Enrollment</u>	<u>Projected Total Unique Enrollees</u>	<u>Estimated Current, Live Year-End Enrollment</u>	<u>Estimated Unique Patients</u>
2001	5,494,053	6,093,123	5,965,489	3,941,932
2002	6,375,154	6,903,126	6,665,271	4,391,439
2003	6,991,405	7,514,999	7,207,661	4,766,566
2004	7,467,210	7,965,594	7,633,481	5,018,279
2005	7,842,646	8,324,183	7,970,513	5,216,521
2006	8,139,169	8,608,309	8,236,010	5,371,940
2007	8,371,506	8,831,232	8,443,009	5,491,311
2008	8,550,970	9,003,165	8,601,552	5,579,698
2009	8,685,908	9,131,439	8,718,838	5,642,773
2010	8,783,219	9,222,746	8,801,386	5,684,427
2011	8,848,411	9,282,026	8,853,915	5,708,258
2012	8,887,532	9,316,541	8,883,473	5,713,131

It is impossible to determine how world events will unfold. Those events that impact our economy and the use of our military may have a profound impact on enrollment and expenditure projections.

General Methodology

Enrollees are assigned to a preferred facility, where the veteran's care is managed by a VA health care provider. The cost models reflect the projected health care demand of the Enrollees by preferred facility (Facility). It is not anticipated that all of the enrollees' VA demanded health care will necessarily be obtained from that Facility; consequently, the cost models are enrollee-based, not facility-based. Cost models are also developed to reflect the projected health care demands of Enrollees by their county of residence.

Costs were projected for providing the health care benefits defined in the Medical Benefits Package and Millennium Bill as well as other VA non-medical services to the enrollees. Expected utilization by Facility (or county), Enrollee Type (Enrollee Pre and Enrollee Post), Age Group (Under Age 45, Ages 45 to 64 and Ages 65 and Over), and Priority Level were developed using private sector utilization adjusted to reflect the veteran enrollment populations and an appropriate level of managed care for VA (discussed in more detail in Section II, Utilization Benchmarks, under Health Care Management). This health care utilization is detailed by several Inpatient and Ambulatory medical

service categories. Estimated VA unit costs based on the Cost Distribution Report (CDR) and related data sources were applied to the expected utilization by medical service category. From the utilization and VA unit cost data, expected per member per month (PMPM) costs were calculated for each combination of Facility (or county), Enrollee Type, Age Group, and Priority Level veteran Enrollees. The PMPM cost is the cost of providing health care to each member, in this case veteran Enrollees, for a one-month period of time.

Each cost model has been adjusted to reflect relative veteran morbidity and reliance on VA for obtaining health care services. These adjustments vary by Veteran Integrated Service Network (VISN), Enrollee Type, Age Group, Priority Level, and service category.

The partial reliance adjustments reflect the fact that the majority of veterans (particularly those who qualify for Medicare) have another choice for health care services. Consequently, veterans can utilize health care from facilities both inside and outside VA concurrently. The partial veteran reliance in these models reflects estimated current veteran reliance on the VA health care system.

The relative morbidity adjustments reflect the relative health status of veteran Enrollees compared to the private sector populations underlying the utilization benchmarks. These adjustments are based on a diagnosis-based risk adjustment methodology which incorporates the responses to the 1999 Enrolled Veterans Survey performed by Computer Hardware Maintenance Corporation (a division of Condor), the 2000 Enrolled Veterans Survey performed by Shugoll Research (through a contract with Condor) and the 1999 Health Survey of Veterans (Veterans SF-36 & Health Behaviors) supported and funded by VA's Office of Quality and Performance.

Exhibits I-13 through I-24 provide VISN-specific projections for each fiscal year in the study. These exhibits display average enrollment, health care expenditures, unique enrollees and unique patients for each VISN.

Exhibit I-25 illustrates the variations by VISN due to each adjustment that was applied to the models. Specifically, this exhibit shows the relative impact reliance, morbidity, age/gender, VA unit costs, geographic area and other variations have on the national VA model. For example, VISN 4 has an average PMPM cost for FY 2003 that is only 75% of the national average PMPM cost. Exhibit I-25 indicates that VISN 4 Enrollees have one of the lowest levels of reliance and are the least morbid (healthiest). On the other hand, the age/gender mix implies they are the second most costly of all VISNs (VISN 3 is slightly higher) due solely to age and gender cost differences. Unit costs in VISN 4 are slightly higher than average and the utilization differences due to location result in costs that are

9% higher than the VA national average. Together, these differences generate an average PMPM cost for VISN 4 that is the lowest compared to all other VISNs. Similar comparisons can be done for each VISN.

Over 5.2 million detailed cost models were developed. Each individual cost model includes the estimated annual expenditures by health care service category based on the projected average enrollment and the PMPM costs for that model. A report writer was also developed that allows VA to composite these cost models in various ways. The national models for FY 2001 through FY 2004 and FY 2012 are included in Appendices A through E. All of the cost models generated for the analysis are contained electronically in the CD-ROMs accompanying this report.

	<u>Number of Cost Models</u>
Facility or County Location	178 + 3,139
Age Group	× 3
Priority Level	× 8
Enrollee Type	× 3
Fiscal Year	× 22
	<hr/> 5,254,128

In performing this analysis, Milliman relied upon various data and representations provided by the Department of Veterans Affairs and Condor Technology Solutions. This information was used without audit. The results contained in this report are projections. Actual results will differ from those projected here for many reasons. It is important that actual enrollment and costs be monitored and the projections updated regularly.

Model Enhancements

Several enhancements were made to the actuarial modeling effort. The enrollment projections were updated to reflect the latest version of VetPop (estimates of the veteran population). These estimates of the veteran population were further enhanced to include necessary detail at the age, gender, priority and county level. These enhancements did not include any analysis of the new Census 2000 data. In addition, VHA provided an updated historical enrollment file with enrollment data for FY 1999, FY 2000, FY 2001 and the first three months of FY 2002.

VA unit costs are generated at a facility level. Therefore, the enrollees assigned to each facility are assigned the unit costs associated with this facility. Because many facilities provide specialized or

limited inpatient services, the unit cost development was improved by adjusting for each facility's case mix as compared to the nationwide average. A case mix adjustment has been performed in the past for the facility level ambulatory unit costs. This year, case mix adjustments were also developed for the acute inpatient unit costs based on the DRG case mix experience of each facility. In addition, the ambulatory unit cost case mix adjustment methodology was enhanced by incorporating a more detailed assignment of unit weights to each encounter.

The degree of health care management analysis was enhanced to include detailed adjustments for the four major types of inpatient acute stays provided by VA, namely medical, surgical, psychiatric and substance abuse. It was determined that the model's predictive powers would be enhanced if the single measure of degree of management used for each VISN was expanded to four separate measures per VISN. Nationally, the FY 2001 VA degree of community management levels for medical, surgical, psychiatric and substance abuse are -29%, -54%, -30% and -30%, respectively. These levels are very similar, other than for surgical stays, but they vary significantly by VISN.

During this model update, it was determined that the inpatient morbidity factors were not adequately reflecting the difference in relative morbidity for the different types of inpatient stays. The morbidity adjustments, which were global for all medical and surgical inpatient stays and global for all psychiatric and substance abuse stays, did not sufficiently measure the impact of enrollee health status on these different types of stays. In an effort to improve the predictive capabilities of the model, the inpatient physical morbidity factors were split into two components, medical and surgical, and the inpatient mental health morbidity factors were split into two components, psychiatric and substance abuse.

The definition of an Enrollee Pre is an enrollee who used the VA health care system during fiscal years 1996, 1997 or 1998. Even if the veteran only used the VA health care system for a single service during that three year time period, they are classified as an Enrollee Pre. It was hypothesized that Enrollee Pre veterans who enrolled a year or so after VHA enrollment began might behave more like Enrollee Post veterans than the "true" Enrollee Pre veterans. A reliance analysis was performed and the results support the hypothesis that the behavior of Enrollee Pre veterans who enrolled after March 1999 is more like the behavior of Enrollee Post veterans. Therefore, the workload projections for all Enrollee Pre veterans who enrolled after March 1999 are modeled as though they are Enrollee Post veterans. To accomplish this, these enrollees were re-labeled as New Enrollee Post in the workload projection model. It should be noted that the enrollment projections were not in any way impacted by this modeling modification.

In the past, VA has requested various cost sharing projections from Milliman for use in policy-making decisions. While these projections utilized the projections model in part, they were developed as separate analyses. The model was enhanced to incorporate copay revenue projections for fiscal years 2002 through 2022. The model projections contain five cost sharing revenue categories: Inpatient, Long Term Care, Domiciliary, Outpatient, and Prescription Drugs. The copay levels in effect as of August 1, 2002 were used for all fiscal years beyond 2002. Historical collection rates, third party rates and other adjustments were also carried forward to all future projection years.

Finally, the Nursing Home projections were modified to reflect VA policy decisions regarding the amount of nursing home care VA intends to provide to enrollees and in which setting (VA, community or state nursing home). Specific goals were established for each fiscal year with respect to the targeted market shares for some priority levels and the overall level of nursing home care. In addition, specific targets were established for the share of nursing home care that is to be delivered at VA, community and state nursing homes for each fiscal year.

Report Structure

The remainder of this report provides further detail regarding these projections. The development of utilization benchmarks is discussed in Section II. Enrollee Pre modeling reclassification is discussed in Section III. VA workload data manipulations are documented in Section IV. The actual-to-expected analysis is contained in Section V. Long Term Care and VA Non-Medical services projections are contained in Sections VI and VII, respectively. Section VIII includes a description of the Millennium Bill Emergency Services projection methodology. The cost sharing projection methodology is documented in Section IX. Estimation of VA unit costs is described in Section X. The projection of veteran enrollment is presented in Section XI. Section XII details the patient projection methodology. A description of database report writers is contained in Section XIII. Finally, a description of data sources utilized is included in Section XIV. Appendices A through E include the national detailed cost models.

Exhibit I-1
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY01
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY01 Enrollment (1)	440,056	241,335	409,593	128,372	
PMPM Healthcare Cost	\$626.10	\$308.77	\$266.08	\$1,280.78	
Annual Healthcare Cost	\$7,513.19	\$3,705.28	\$3,192.99	\$15,369.42	
Total Projected Annual Expenditures (2)	<u>\$3,306,223,856</u>	<u>\$894,212,895</u>	<u>\$1,307,825,554</u>	<u>\$1,972,998,022</u>	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY01 Enrollment (1)	1,120,101	39,449	24,182	387,041	2,790,128
PMPM Healthcare Cost	\$328.56	\$119.12	\$206.01	\$125.41	\$376.21
Annual Healthcare Cost	\$3,942.72	\$1,429.43	\$2,472.11	\$1,504.96	\$4,514.54
Total Projected Annual Expenditures (2)	<u>\$4,416,243,391</u>	<u>\$56,389,317</u>	<u>\$59,780,471</u>	<u>\$582,480,429</u>	<u>\$12,596,153,935</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Enrollee Post					
Projected Average FY01 Enrollment (1)	109,167	138,868	333,619	48,811	
PMPM Healthcare Cost	\$285.89	\$131.00	\$110.36	\$1,021.71	
Annual Healthcare Cost	\$3,430.67	\$1,571.99	\$1,324.34	\$12,260.57	
Total Projected Annual Expenditures (2)	<u>\$374,516,426</u>	<u>\$218,299,396</u>	<u>\$441,826,100</u>	<u>\$598,452,684</u>	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY01 Enrollment (1)	923,302	65,815	26,742	1,057,600	2,703,925
PMPM Healthcare Cost	\$223.03	\$55.65	\$107.88	\$81.25	\$160.69
Annual Healthcare Cost	\$2,676.33	\$667.78	\$1,294.58	\$974.99	\$1,928.26
Total Projected Annual Expenditures (2)	<u>\$2,471,057,350</u>	<u>\$43,950,084</u>	<u>\$34,619,537</u>	<u>\$1,031,149,028</u>	<u>\$5,213,870,605</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
All Enrollees					
Projected Average FY01 Enrollment (1)	549,223	380,203	743,212	177,183	
PMPM Healthcare Cost	\$558.48	\$243.84	\$196.18	\$1,209.41	
Annual Healthcare Cost	\$6,701.72	\$2,926.10	\$2,354.18	\$14,512.98	
Total Projected Annual Expenditures (2)	<u>\$3,680,740,282</u>	<u>\$1,112,512,291</u>	<u>\$1,749,651,654</u>	<u>\$2,571,450,706</u>	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY01 Enrollment (1)	2,043,403	105,263	50,924	1,444,642	5,494,053
PMPM Healthcare Cost	\$280.88	\$79.44	\$154.48	\$93.08	\$270.14
Annual Healthcare Cost	\$3,370.51	\$953.22	\$1,853.75	\$1,116.98	\$3,241.69
Total Projected Annual Expenditures (2)	<u>\$6,887,300,741</u>	<u>\$100,339,401</u>	<u>\$94,400,008</u>	<u>\$1,613,629,457</u>	<u>\$17,810,024,540</u>

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-2
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY02
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY02 Enrollment (1)	424,732	236,109	403,233	117,066	
PMPM Healthcare Cost	\$674.67	\$332.95	\$286.25	\$1,358.28	
Annual Healthcare Cost	<u>\$8,096.02</u>	<u>\$3,995.36</u>	<u>\$3,434.96</u>	<u>\$16,299.39</u>	
Total Projected Annual Expenditures (2)	\$3,438,640,456	\$943,341,245	\$1,385,088,701	\$1,908,100,048	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY02 Enrollment (1)	1,098,740	38,893	25,228	401,266	2,745,267
PMPM Healthcare Cost	\$355.44	\$131.33	\$222.97	\$136.86	\$399.15
Annual Healthcare Cost	<u>\$4,265.23</u>	<u>\$1,575.95</u>	<u>\$2,675.66</u>	<u>\$1,642.33</u>	<u>\$4,789.83</u>
Total Projected Annual Expenditures (2)	\$4,686,382,754	\$61,293,837	\$67,501,277	\$659,011,711	\$13,149,360,029
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY02 Enrollment (1)	133,896	171,673	424,337	58,129	
PMPM Healthcare Cost	\$307.41	\$144.46	\$123.30	\$1,092.70	
Annual Healthcare Cost	<u>\$3,688.98</u>	<u>\$1,733.50</u>	<u>\$1,479.60</u>	<u>\$13,112.37</u>	
Total Projected Annual Expenditures (2)	\$493,938,838	\$297,596,265	\$627,847,985	\$762,211,968	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY02 Enrollment (1)	1,231,819	85,756	36,995	1,487,283	3,629,887
PMPM Healthcare Cost	\$248.81	\$65.29	\$119.01	\$93.81	\$175.71
Annual Healthcare Cost	<u>\$2,985.72</u>	<u>\$783.48</u>	<u>\$1,428.15</u>	<u>\$1,125.67</u>	<u>\$2,108.52</u>
Total Projected Annual Expenditures (2)	\$3,677,866,279	\$67,187,460	\$52,834,481	\$1,674,191,922	\$7,653,675,198
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY02 Enrollment (1)	558,628	407,782	827,570	175,195	
PMPM Healthcare Cost	\$586.64	\$253.59	\$202.70	\$1,270.16	
Annual Healthcare Cost	<u>\$7,039.71</u>	<u>\$3,043.14</u>	<u>\$2,432.35</u>	<u>\$15,241.95</u>	
Total Projected Annual Expenditures (2)	\$3,932,579,294	\$1,240,937,510	\$2,012,936,686	\$2,670,312,016	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY02 Enrollment (1)	2,330,558	124,649	62,223	1,888,549	6,375,154
PMPM Healthcare Cost	\$299.08	\$85.90	\$161.16	\$102.95	\$271.93
Annual Healthcare Cost	<u>\$3,588.95</u>	<u>\$1,030.75</u>	<u>\$1,933.95</u>	<u>\$1,235.45</u>	<u>\$3,263.14</u>
Total Projected Annual Expenditures (2)	\$8,364,249,033	\$128,481,297	\$120,335,758	\$2,333,203,633	\$20,803,035,227

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-3
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY03
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY03 Enrollment (1)	407,108	229,584	396,543	108,553	
PMPM Healthcare Cost	\$730.17	\$359.04	\$306.93	\$1,455.76	
Annual Healthcare Cost	<u>\$8,762.00</u>	<u>\$4,308.42</u>	<u>\$3,683.12</u>	<u>\$17,469.13</u>	
Total Projected Annual Expenditures (2)	\$3,567,085,498	\$989,144,422	\$1,460,515,937	\$1,896,333,180	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY03 Enrollment (1)	1,074,367	38,005	28,791	445,517	2,728,469
PMPM Healthcare Cost	\$384.30	\$144.55	\$235.02	\$145.16	\$421.20
Annual Healthcare Cost	<u>\$4,611.57</u>	<u>\$1,734.60</u>	<u>\$2,820.24</u>	<u>\$1,741.90</u>	<u>\$5,054.40</u>
Total Projected Annual Expenditures (2)	\$4,954,520,212	\$65,922,959	\$81,198,373	\$776,045,734	\$13,790,766,315
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY03 Enrollment (1)	157,447	189,996	480,296	66,333	
PMPM Healthcare Cost	\$329.20	\$157.38	\$134.74	\$1,177.19	
Annual Healthcare Cost	<u>\$3,950.45</u>	<u>\$1,888.52</u>	<u>\$1,616.93</u>	<u>\$14,126.25</u>	
Total Projected Annual Expenditures (2)	\$621,987,244	\$358,811,333	\$776,605,593	\$937,042,385	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY03 Enrollment (1)	1,435,438	104,831	44,109	1,784,486	4,262,936
PMPM Healthcare Cost	\$272.74	\$74.54	\$129.50	\$104.06	\$191.24
Annual Healthcare Cost	<u>\$3,272.83</u>	<u>\$894.46</u>	<u>\$1,553.95</u>	<u>\$1,248.70</u>	<u>\$2,294.90</u>
Total Projected Annual Expenditures (2)	\$4,697,948,728	\$93,766,367	\$68,542,778	\$2,228,296,198	\$9,783,000,626
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY03 Enrollment (1)	564,556	419,580	876,839	174,887	
PMPM Healthcare Cost	\$618.34	\$267.72	\$212.61	\$1,350.10	
Annual Healthcare Cost	<u>\$7,420.13</u>	<u>\$3,212.63</u>	<u>\$2,551.35</u>	<u>\$16,201.20</u>	
Total Projected Annual Expenditures (2)	\$4,189,072,742	\$1,347,955,755	\$2,237,121,530	\$2,833,375,565	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY03 Enrollment (1)	2,509,805	142,835	72,900	2,230,003	6,991,405
PMPM Healthcare Cost	\$320.49	\$93.17	\$171.17	\$112.27	\$280.99
Annual Healthcare Cost	<u>\$3,845.90</u>	<u>\$1,118.00</u>	<u>\$2,054.06</u>	<u>\$1,347.24</u>	<u>\$3,371.82</u>
Total Projected Annual Expenditures (2)	\$9,652,468,940	\$159,689,326	\$149,741,151	\$3,004,341,932	\$23,573,766,941

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-4
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY04
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY04 Enrollment (1)	389,181	221,469	384,789	100,631	
PMPM Healthcare Cost	\$787.57	\$387.25	\$329.96	\$1,557.91	
Annual Healthcare Cost	\$9,450.79	\$4,646.99	\$3,959.57	\$18,694.91	
Total Projected Annual Expenditures (2)	\$3,678,069,335	\$1,029,162,626	\$1,523,599,973	\$1,881,284,195	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY04 Enrollment (1)	1,041,716	37,078	31,354	477,206	2,683,423
PMPM Healthcare Cost	\$414.31	\$158.57	\$248.64	\$154.13	\$445.26
Annual Healthcare Cost	\$4,971.66	\$1,902.89	\$2,983.68	\$1,849.52	\$5,343.13
Total Projected Annual Expenditures (2)	\$5,179,059,366	\$70,554,395	\$93,551,566	\$882,601,923	\$14,337,883,379
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY04 Enrollment (1)	179,914	204,422	521,218	73,553	
PMPM Healthcare Cost	\$350.94	\$169.88	\$145.82	\$1,258.26	
Annual Healthcare Cost	\$4,211.24	\$2,038.58	\$1,749.83	\$15,099.16	
Total Projected Annual Expenditures (2)	\$757,661,257	\$416,729,610	\$912,044,468	\$1,110,584,141	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY04 Enrollment (1)	1,592,337	122,336	50,411	2,039,598	4,783,788
PMPM Healthcare Cost	\$295.23	\$83.22	\$140.08	\$113.82	\$206.10
Annual Healthcare Cost	\$3,542.79	\$998.59	\$1,681.02	\$1,365.89	\$2,473.17
Total Projected Annual Expenditures (2)	\$5,641,320,655	\$122,162,731	\$84,742,033	\$2,785,858,122	\$11,831,103,017
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY04 Enrollment (1)	569,095	425,890	906,007	174,184	
PMPM Healthcare Cost	\$649.53	\$282.92	\$224.03	\$1,431.38	
Annual Healthcare Cost	\$7,794.35	\$3,394.99	\$2,688.33	\$17,176.53	
Total Projected Annual Expenditures (2)	\$4,435,730,592	\$1,445,892,236	\$2,435,644,441	\$2,991,868,336	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY04 Enrollment (1)	2,634,052	159,413	81,765	2,516,804	7,467,210
PMPM Healthcare Cost	\$342.32	\$100.74	\$181.71	\$121.47	\$292.04
Annual Healthcare Cost	\$4,107.88	\$1,208.92	\$2,180.55	\$1,457.59	\$3,504.52
Total Projected Annual Expenditures (2)	\$10,820,380,021	\$192,717,126	\$178,293,599	\$3,668,460,045	\$26,168,986,396

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-5
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY05
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY05 Enrollment (1)	371,448	212,896	371,279	93,197	
PMPM Healthcare Cost	\$844.07	\$415.27	\$352.82	\$1,656.57	
Annual Healthcare Cost	\$10,128.79	\$4,983.22	\$4,233.84	\$19,878.89	
Total Projected Annual Expenditures (2)	\$3,762,313,536	\$1,060,909,334	\$1,571,935,301	\$1,852,660,307	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY05 Enrollment (1)	1,004,473	36,135	33,142	499,126	2,621,698
PMPM Healthcare Cost	\$444.07	\$172.48	\$263.04	\$163.46	\$469.13
Annual Healthcare Cost	\$5,328.85	\$2,069.79	\$3,156.51	\$1,961.53	\$5,629.55
Total Projected Annual Expenditures (2)	\$5,352,688,748	\$74,792,670	\$104,614,102	\$979,052,616	\$14,758,966,614
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY05 Enrollment (1)	203,052	216,673	552,662	79,945	
PMPM Healthcare Cost	\$371.66	\$181.50	\$156.18	\$1,330.27	
Annual Healthcare Cost	\$4,459.91	\$2,178.04	\$1,874.12	\$15,963.28	
Total Projected Annual Expenditures (2)	\$905,593,795	\$471,922,735	\$1,035,755,801	\$1,276,185,321	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY05 Enrollment (1)	1,716,396	138,308	55,992	2,257,919	5,220,948
PMPM Healthcare Cost	\$316.49	\$91.46	\$150.54	\$123.36	\$220.32
Annual Healthcare Cost	\$3,797.83	\$1,097.48	\$1,806.42	\$1,480.30	\$2,643.84
Total Projected Annual Expenditures (2)	\$6,518,586,492	\$151,791,424	\$101,145,166	\$3,342,389,884	\$13,803,370,618
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY05 Enrollment (1)	574,500	429,570	923,941	173,142	
PMPM Healthcare Cost	\$677.10	\$297.36	\$235.20	\$1,505.91	
Annual Healthcare Cost	\$8,125.17	\$3,568.30	\$2,822.36	\$18,070.94	
Total Projected Annual Expenditures (2)	\$4,667,907,331	\$1,532,832,069	\$2,607,691,102	\$3,128,845,628	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY05 Enrollment (1)	2,720,870	174,444	89,134	2,757,045	7,842,646
PMPM Healthcare Cost	\$363.59	\$108.24	\$192.37	\$130.62	\$303.49
Annual Healthcare Cost	\$4,363.04	\$1,298.89	\$2,308.42	\$1,567.42	\$3,641.93
Total Projected Annual Expenditures (2)	\$11,871,275,240	\$226,584,094	\$205,759,268	\$4,321,442,500	\$28,562,337,232

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-6
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY06
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY06 Enrollment (1)	354,082	204,263	357,248	86,241	
PMPM Healthcare Cost	\$900.92	\$443.77	\$376.26	\$1,758.92	
Annual Healthcare Cost	<u>\$10,811.10</u>	<u>\$5,325.26</u>	<u>\$4,515.16</u>	<u>\$21,107.06</u>	
Total Projected Annual Expenditures (2)	\$3,828,011,449	\$1,087,751,905	\$1,613,033,150	\$1,820,299,014	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY06 Enrollment (1)	964,595	35,179	34,357	513,696	2,549,661
PMPM Healthcare Cost	\$474.59	\$186.82	\$278.47	\$173.42	\$493.70
Annual Healthcare Cost	<u>\$5,695.04</u>	<u>\$2,241.79</u>	<u>\$3,341.65</u>	<u>\$2,081.09</u>	<u>\$5,924.41</u>
Total Projected Annual Expenditures (2)	\$5,493,407,880	\$78,863,453	\$114,809,604	\$1,069,050,276	\$15,105,226,731
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY06 Enrollment (1)	226,588	227,267	577,160	85,548	
PMPM Healthcare Cost	\$392.55	\$192.84	\$166.30	\$1,398.61	
Annual Healthcare Cost	<u>\$4,710.60</u>	<u>\$2,314.05</u>	<u>\$1,995.58</u>	<u>\$16,783.29</u>	
Total Projected Annual Expenditures (2)	\$1,067,364,488	\$525,906,393	\$1,151,768,499	\$1,435,782,547	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY06 Enrollment (1)	1,815,586	152,836	60,915	2,443,607	5,589,508
PMPM Healthcare Cost	\$337.71	\$99.44	\$161.07	\$132.96	\$234.63
Annual Healthcare Cost	<u>\$4,052.53</u>	<u>\$1,193.33</u>	<u>\$1,932.85</u>	<u>\$1,595.51</u>	<u>\$2,815.54</u>
Total Projected Annual Expenditures (2)	\$7,357,711,128	\$182,384,403	\$117,739,706	\$3,898,798,686	\$15,737,455,850
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY06 Enrollment (1)	580,670	431,530	934,408	171,790	
PMPM Healthcare Cost	\$702.55	\$311.62	\$246.57	\$1,579.49	
Annual Healthcare Cost	<u>\$8,430.57</u>	<u>\$3,739.39</u>	<u>\$2,958.88</u>	<u>\$18,953.89</u>	
Total Projected Annual Expenditures (2)	\$4,895,375,937	\$1,613,658,298	\$2,764,801,649	\$3,256,081,561	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY06 Enrollment (1)	2,780,180	188,015	95,272	2,957,303	8,139,169
PMPM Healthcare Cost	\$385.20	\$115.79	\$203.41	\$139.99	\$315.78
Annual Healthcare Cost	<u>\$4,622.40</u>	<u>\$1,389.51</u>	<u>\$2,440.89</u>	<u>\$1,679.86</u>	<u>\$3,789.41</u>
Total Projected Annual Expenditures (2)	\$12,851,119,008	\$261,247,856	\$232,549,310	\$4,967,848,962	\$30,842,682,581

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-7
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY07
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY07 Enrollment (1)	337,183	195,730	343,198	79,748	
PMPM Healthcare Cost	\$961.43	\$474.19	\$401.42	\$1,867.38	
Annual Healthcare Cost	<u>\$11,537.13</u>	<u>\$5,690.27</u>	<u>\$4,817.05</u>	<u>\$22,408.59</u>	
Total Projected Annual Expenditures (2)	\$3,890,126,008	\$1,113,755,633	\$1,653,204,954	\$1,787,045,869	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY07 Enrollment (1)	923,369	34,208	35,137	522,566	2,471,139
PMPM Healthcare Cost	\$506.99	\$203.01	\$295.48	\$184.40	\$520.21
Annual Healthcare Cost	<u>\$6,083.93</u>	<u>\$2,436.11</u>	<u>\$3,545.72</u>	<u>\$2,212.79</u>	<u>\$6,242.50</u>
Total Projected Annual Expenditures (2)	\$5,617,710,518	\$83,334,465	\$124,584,098	\$1,156,328,916	\$15,426,090,461
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY07 Enrollment (1)	250,125	236,551	596,443	90,409	
PMPM Healthcare Cost	\$415.06	\$204.54	\$176.82	\$1,468.72	
Annual Healthcare Cost	<u>\$4,980.67</u>	<u>\$2,454.52</u>	<u>\$2,121.85</u>	<u>\$17,624.70</u>	
Total Projected Annual Expenditures (2)	\$1,245,788,046	\$580,619,033	\$1,265,562,085	\$1,593,439,697	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY07 Enrollment (1)	1,894,951	165,966	65,243	2,600,678	5,900,367
PMPM Healthcare Cost	\$360.03	\$107.94	\$172.32	\$143.08	\$249.81
Annual Healthcare Cost	<u>\$4,320.35</u>	<u>\$1,295.27</u>	<u>\$2,067.85</u>	<u>\$1,717.00</u>	<u>\$2,997.70</u>
Total Projected Annual Expenditures (2)	\$8,186,847,199	\$214,971,848	\$134,913,259	\$4,465,370,332	\$17,687,511,499
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY07 Enrollment (1)	587,308	432,281	939,641	170,158	
PMPM Healthcare Cost	\$728.74	\$326.63	\$258.85	\$1,655.56	
Annual Healthcare Cost	<u>\$8,744.84</u>	<u>\$3,919.62</u>	<u>\$3,106.26</u>	<u>\$19,866.77</u>	
Total Projected Annual Expenditures (2)	\$5,135,914,054	\$1,694,374,666	\$2,918,767,039	\$3,380,485,566	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY07 Enrollment (1)	2,818,320	200,174	100,380	3,123,244	8,371,506
PMPM Healthcare Cost	\$408.18	\$124.19	\$215.43	\$150.00	\$329.63
Annual Healthcare Cost	<u>\$4,898.15</u>	<u>\$1,490.23</u>	<u>\$2,585.16</u>	<u>\$1,799.96</u>	<u>\$3,955.51</u>
Total Projected Annual Expenditures (2)	\$13,804,557,717	\$298,306,313	\$259,497,357	\$5,621,699,248	\$33,113,601,960

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-8
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY08
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY08 Enrollment (1)	320,812	187,376	329,359	73,702	
PMPM Healthcare Cost	\$1,024.80	\$506.03	\$427.71	\$1,977.87	
Annual Healthcare Cost	\$12,297.63	\$6,072.41	\$5,132.55	\$23,734.44	
Total Projected Annual Expenditures (2)	<u>\$3,945,224,492</u>	<u>\$1,137,822,825</u>	<u>\$1,690,449,986</u>	<u>\$1,749,283,730</u>	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY08 Enrollment (1)	881,657	33,224	35,580	526,965	2,388,676
PMPM Healthcare Cost	\$540.55	\$220.56	\$313.63	\$196.06	\$547.84
Annual Healthcare Cost	\$6,486.57	\$2,646.67	\$3,763.51	\$2,352.77	\$6,574.09
Total Projected Annual Expenditures (2)	<u>\$5,718,928,290</u>	<u>\$87,933,281</u>	<u>\$133,906,357</u>	<u>\$1,239,827,135</u>	<u>\$15,703,376,096</u>
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY08 Enrollment (1)	273,373	244,777	611,751	94,592	
PMPM Healthcare Cost	\$438.01	\$216.40	\$187.38	\$1,536.61	
Annual Healthcare Cost	\$5,256.12	\$2,596.76	\$2,248.55	\$18,439.35	
Total Projected Annual Expenditures (2)	<u>\$1,436,881,607</u>	<u>\$635,626,812</u>	<u>\$1,375,553,642</u>	<u>\$1,744,213,025</u>	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY08 Enrollment (1)	1,957,755	177,728	69,043	2,733,276	6,162,294
PMPM Healthcare Cost	\$382.02	\$116.60	\$183.80	\$153.35	\$265.02
Annual Healthcare Cost	\$4,584.24	\$1,399.19	\$2,205.60	\$1,840.22	\$3,180.29
Total Projected Annual Expenditures (2)	<u>\$8,974,814,879</u>	<u>\$248,675,897</u>	<u>\$152,281,265</u>	<u>\$5,029,835,220</u>	<u>\$19,597,882,347</u>
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY08 Enrollment (1)	594,185	432,153	941,110	168,294	
PMPM Healthcare Cost	\$754.83	\$341.98	\$271.49	\$1,729.86	
Annual Healthcare Cost	\$9,057.97	\$4,103.76	\$3,257.86	\$20,758.27	
Total Projected Annual Expenditures (2)	<u>\$5,382,106,099</u>	<u>\$1,773,449,637</u>	<u>\$3,066,003,628</u>	<u>\$3,493,496,755</u>	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY08 Enrollment (1)	2,839,412	210,952	104,623	3,260,241	8,550,970
PMPM Healthcare Cost	\$431.24	\$132.97	\$227.95	\$160.26	\$344.03
Annual Healthcare Cost	\$5,174.92	\$1,595.67	\$2,735.42	\$1,923.07	\$4,128.33
Total Projected Annual Expenditures (2)	<u>\$14,693,743,169</u>	<u>\$336,609,178</u>	<u>\$286,187,622</u>	<u>\$6,269,662,355</u>	<u>\$35,301,258,443</u>

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-9
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY09
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY09 Enrollment (1)	304,993	179,243	315,847	68,085	
PMPM Healthcare Cost	\$1,089.01	\$539.00	\$454.98	\$2,087.23	
Annual Healthcare Cost	<u>\$13,068.08</u>	<u>\$6,468.02</u>	<u>\$5,459.72</u>	<u>\$25,046.82</u>	
Total Projected Annual Expenditures (2)	\$3,985,671,661	\$1,159,348,874	\$1,724,433,850	\$1,705,324,829	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY09 Enrollment (1)	840,052	32,228	35,760	527,804	2,304,012
PMPM Healthcare Cost	\$574.68	\$239.09	\$332.55	\$208.21	\$575.87
Annual Healthcare Cost	<u>\$6,896.13</u>	<u>\$2,869.12</u>	<u>\$3,990.61</u>	<u>\$2,498.53</u>	<u>\$6,910.46</u>
Total Projected Annual Expenditures (2)	\$5,793,107,604	\$92,467,049	\$142,704,008	\$1,318,731,732	\$15,921,789,607
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY09 Enrollment (1)	296,167	252,149	624,005	98,146	
PMPM Healthcare Cost	\$461.24	\$228.14	\$197.82	\$1,598.90	
Annual Healthcare Cost	<u>\$5,534.92</u>	<u>\$2,737.68</u>	<u>\$2,373.87</u>	<u>\$19,186.82</u>	
Total Projected Annual Expenditures (2)	\$1,639,260,333	\$690,301,772	\$1,481,305,100	\$1,883,107,016	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY09 Enrollment (1)	2,006,541	188,179	72,364	2,844,345	6,381,895
PMPM Healthcare Cost	\$403.60	\$125.05	\$195.33	\$163.53	\$280.03
Annual Healthcare Cost	<u>\$4,843.22</u>	<u>\$1,500.55</u>	<u>\$2,343.94</u>	<u>\$1,962.37</u>	<u>\$3,360.40</u>
Total Projected Annual Expenditures (2)	\$9,718,128,456	\$282,371,412	\$169,616,659	\$5,581,644,933	\$21,445,735,681
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY09 Enrollment (1)	601,160	431,392	939,852	166,231	
PMPM Healthcare Cost	\$779.73	\$357.30	\$284.24	\$1,798.91	
Annual Healthcare Cost	<u>\$9,356.80</u>	<u>\$4,287.63</u>	<u>\$3,410.90</u>	<u>\$21,586.98</u>	
Total Projected Annual Expenditures (2)	\$5,624,931,994	\$1,849,650,646	\$3,205,738,950	\$3,588,431,845	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY09 Enrollment (1)	2,846,593	220,407	108,124	3,372,149	8,685,908
PMPM Healthcare Cost	\$454.09	\$141.72	\$240.71	\$170.52	\$358.51
Annual Healthcare Cost	<u>\$5,449.05</u>	<u>\$1,700.66</u>	<u>\$2,888.55</u>	<u>\$2,046.28</u>	<u>\$4,302.09</u>
Total Projected Annual Expenditures (2)	\$15,511,236,060	\$374,838,461	\$312,320,667	\$6,900,376,665	\$37,367,525,288

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-10
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY10
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY10 Enrollment (1)	289,743	171,357	302,726	62,878	
PMPM Healthcare Cost	\$1,151.05	\$572.53	\$483.08	\$2,195.37	
Annual Healthcare Cost	<u>\$13,812.62</u>	<u>\$6,870.32</u>	<u>\$5,796.97</u>	<u>\$26,344.46</u>	
Total Projected Annual Expenditures (2)	\$4,002,103,514	\$1,177,278,165	\$1,754,890,323	\$1,656,485,318	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY10 Enrollment (1)	798,966	31,222	35,729	525,751	2,218,372
PMPM Healthcare Cost	\$609.55	\$258.28	\$352.45	\$220.88	\$603.91
Annual Healthcare Cost	<u>\$7,314.63</u>	<u>\$3,099.38</u>	<u>\$4,229.41</u>	<u>\$2,650.50</u>	<u>\$7,246.89</u>
Total Projected Annual Expenditures (2)	\$5,844,142,621	\$96,769,148	\$151,110,819	\$1,393,505,564	\$16,076,285,472
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY10 Enrollment (1)	318,431	258,828	633,894	101,119	
PMPM Healthcare Cost	\$484.17	\$239.81	\$208.17	\$1,663.66	
Annual Healthcare Cost	<u>\$5,810.01</u>	<u>\$2,877.71</u>	<u>\$2,498.01</u>	<u>\$19,963.92</u>	
Total Projected Annual Expenditures (2)	\$1,850,088,312	\$744,830,985	\$1,583,475,245	\$2,018,730,630	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY10 Enrollment (1)	2,043,812	197,365	75,244	2,936,155	6,564,847
PMPM Healthcare Cost	\$425.03	\$133.42	\$206.76	\$173.76	\$295.08
Annual Healthcare Cost	<u>\$5,100.32</u>	<u>\$1,601.10</u>	<u>\$2,481.13</u>	<u>\$2,085.13</u>	<u>\$3,541.01</u>
Total Projected Annual Expenditures (2)	\$10,424,102,262	\$316,000,080	\$186,690,131	\$6,122,268,101	\$23,246,185,746
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY10 Enrollment (1)	608,174	430,185	936,619	163,997	
PMPM Healthcare Cost	\$801.88	\$372.34	\$297.02	\$1,867.52	
Annual Healthcare Cost	<u>\$9,622.56</u>	<u>\$4,468.10</u>	<u>\$3,564.27</u>	<u>\$22,410.28</u>	
Total Projected Annual Expenditures (2)	\$5,852,191,826	\$1,922,109,150	\$3,338,365,568	\$3,675,215,948	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY10 Enrollment (1)	2,842,778	228,587	110,973	3,461,906	8,783,219
PMPM Healthcare Cost	\$476.89	\$150.48	\$253.67	\$180.92	\$373.08
Annual Healthcare Cost	<u>\$5,722.66</u>	<u>\$1,805.74</u>	<u>\$3,044.00</u>	<u>\$2,170.99</u>	<u>\$4,477.00</u>
Total Projected Annual Expenditures (2)	\$16,268,244,883	\$412,769,228	\$337,800,950	\$7,515,773,665	\$39,322,471,218

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-11
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY11
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY11 Enrollment (1)	275,061	163,731	290,031	58,058	
PMPM Healthcare Cost	\$1,208.62	\$606.23	\$511.80	\$2,304.22	
Annual Healthcare Cost	\$14,503.43	\$7,274.81	\$6,141.57	\$27,650.69	
Total Projected Annual Expenditures (2)	\$3,989,322,521	\$1,191,114,814	\$1,781,245,386	\$1,605,349,620	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY11 Enrollment (1)	758,738	30,207	35,528	521,351	2,132,705
PMPM Healthcare Cost	\$645.35	\$278.38	\$373.17	\$234.10	\$631.73
Annual Healthcare Cost	\$7,744.25	\$3,340.52	\$4,478.06	\$2,809.16	\$7,580.72
Total Projected Annual Expenditures (2)	\$5,875,850,698	\$100,906,419	\$159,095,868	\$1,464,561,813	\$16,167,447,139
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY11 Enrollment (1)	340,066	264,942	641,948	103,558	
PMPM Healthcare Cost	\$506.35	\$251.26	\$218.42	\$1,729.56	
Annual Healthcare Cost	\$6,076.16	\$3,015.10	\$2,621.02	\$20,754.76	
Total Projected Annual Expenditures (2)	\$2,066,293,836	\$798,827,005	\$1,682,558,307	\$2,149,311,730	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY11 Enrollment (1)	2,071,626	205,311	77,714	3,010,541	6,715,706
PMPM Healthcare Cost	\$446.69	\$141.62	\$218.28	\$184.05	\$310.25
Annual Healthcare Cost	\$5,360.23	\$1,699.41	\$2,619.36	\$2,208.54	\$3,723.03
Total Projected Annual Expenditures (2)	\$11,104,386,371	\$348,908,374	\$203,561,597	\$6,648,907,811	\$25,002,755,031
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY11 Enrollment (1)	615,127	428,674	931,979	161,616	
PMPM Healthcare Cost	\$820.38	\$386.84	\$309.72	\$1,936.00	
Annual Healthcare Cost	\$9,844.50	\$4,642.09	\$3,716.61	\$23,232.02	
Total Projected Annual Expenditures (2)	\$6,055,616,357	\$1,989,941,819	\$3,463,803,693	\$3,754,661,350	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY11 Enrollment (1)	2,830,364	235,518	113,242	3,531,892	8,848,411
PMPM Healthcare Cost	\$499.94	\$159.16	\$266.87	\$191.43	\$387.74
Annual Healthcare Cost	\$5,999.31	\$1,909.89	\$3,202.50	\$2,297.20	\$4,652.84
Total Projected Annual Expenditures (2)	\$16,980,237,069	\$449,814,793	\$362,657,465	\$8,113,469,624	\$41,170,202,170

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-12
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY12
Nationwide Composite by Priority Level

Enrollee Pre	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY12 Enrollment (1)	260,947	156,373	277,781	53,603	
PMPM Healthcare Cost	\$1,252.25	\$638.70	\$540.54	\$2,393.99	
Annual Healthcare Cost	<u>\$15,026.98</u>	<u>\$7,664.34</u>	<u>\$6,486.50</u>	<u>\$28,727.89</u>	
Total Projected Annual Expenditures (2)	\$3,921,251,948	\$1,198,494,843	\$1,801,822,446	\$1,539,911,057	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY12 Enrollment (1)	719,587	29,184	35,192	515,049	2,047,716
PMPM Healthcare Cost	\$680.44	\$301.57	\$394.84	\$247.91	\$656.90
Annual Healthcare Cost	<u>\$8,165.25</u>	<u>\$3,618.89</u>	<u>\$4,738.10</u>	<u>\$2,974.97</u>	<u>\$7,882.78</u>
Total Projected Annual Expenditures (2)	\$5,875,606,678	\$105,613,792	\$166,744,441	\$1,532,254,300	\$16,141,699,505
Enrollee Post	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY12 Enrollment (1)	360,999	270,591	648,599	105,561	
PMPM Healthcare Cost	\$524.40	\$261.64	\$227.93	\$1,768.73	
Annual Healthcare Cost	<u>\$6,292.85</u>	<u>\$3,139.62</u>	<u>\$2,735.20</u>	<u>\$21,224.76</u>	
Total Projected Annual Expenditures (2)	\$2,271,714,591	\$849,554,470	\$1,774,047,306	\$2,240,512,557	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>All Priorities</u>
Projected Average FY12 Enrollment (1)	2,090,918	211,936	79,833	3,071,378	6,839,816
PMPM Healthcare Cost	\$464.22	\$149.39	\$229.06	\$193.99	\$323.26
Annual Healthcare Cost	<u>\$5,570.60</u>	<u>\$1,792.63</u>	<u>\$2,748.70</u>	<u>\$2,327.89</u>	<u>\$3,879.15</u>
Total Projected Annual Expenditures (2)	\$11,647,669,586	\$379,923,013	\$219,437,871	\$7,149,817,225	\$26,532,676,619
All Enrollees	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
Projected Average FY12 Enrollment (1)	621,947	426,964	926,380	159,165	
PMPM Healthcare Cost	\$829.78	\$399.73	\$321.67	\$1,979.30	
Annual Healthcare Cost	<u>\$9,957.39</u>	<u>\$4,796.77</u>	<u>\$3,860.05</u>	<u>\$23,751.66</u>	
Total Projected Annual Expenditures (2)	\$6,192,966,539	\$2,048,049,313	\$3,575,869,752	\$3,780,423,614	
	<u>5</u>	<u>6</u>	<u>7a</u>	<u>7c</u>	<u>Total</u>
Projected Average FY12 Enrollment (1)	2,810,505	241,120	115,025	3,586,427	8,887,532
PMPM Healthcare Cost	\$519.58	\$167.81	\$279.78	\$201.73	\$400.13
Annual Healthcare Cost	<u>\$6,234.92</u>	<u>\$2,013.67</u>	<u>\$3,357.36</u>	<u>\$2,420.81</u>	<u>\$4,801.60</u>
Total Projected Annual Expenditures (2)	\$17,523,276,264	\$485,536,805	\$386,182,312	\$8,682,071,525	\$42,674,376,124

(1) The Projected Average Enrollment for All Priorities and for All Enrollees may not match the respective sums, due to rounding.

(2) The Projected Annual Expenditures do not exactly equal the Projected Average FY Enrollment times the Annual Healthcare Cost due to rounding. The Total Projected Annual Expenditures are the sum of the Projected Annual Expenditures calculated by healthcare benefit.

Exhibit I-13
Veterans Affairs Health Care Analysis
Fiscal Year 2001 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	252,615	941,002,967	282,112	185,348
2	173,101	517,103,225	189,534	115,668
3	325,977	1,100,562,276	353,140	203,265
4	338,501	824,212,062	376,634	209,032
5	138,938	514,236,278	152,802	101,355
6	263,776	775,832,043	291,936	191,175
7	308,732	942,690,242	340,944	208,878
8	481,809	1,533,953,572	543,310	354,384
9	242,417	875,905,234	269,127	183,672
10	201,098	575,210,409	221,962	140,684
11	220,619	709,673,507	250,566	163,573
12	249,403	847,025,147	276,981	172,924
15	214,295	671,033,230	241,309	163,467
16	439,161	1,633,413,860	488,562	333,757
17	228,984	732,776,676	252,305	172,251
18	227,295	730,534,431	250,225	173,657
19	151,143	458,981,959	166,480	111,962
20	230,960	736,742,240	254,225	170,381
21	240,237	802,378,544	265,026	178,987
22	302,275	1,145,341,739	331,172	222,959
23	262,718	741,414,899	294,771	184,555
National ⁽¹⁾	5,494,053	\$17,810,024,540	6,093,123	3,941,932

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-14
Veterans Affairs Health Care Analysis
Fiscal Year 2002 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	295,368	1,095,600,683	320,726	207,172
2	197,393	601,115,973	213,753	129,065
3	370,098	1,281,958,741	404,944	229,796
4	392,157	963,854,647	424,922	232,017
5	160,006	599,460,602	173,017	112,935
6	303,998	910,523,656	327,722	212,286
7	357,184	1,106,003,821	386,513	232,050
8	575,673	1,822,783,257	628,103	401,951
9	280,639	1,014,703,316	304,646	204,016
10	231,272	674,639,289	249,985	156,812
11	262,431	840,098,392	284,526	182,719
12	288,285	959,343,647	311,526	190,609
15	252,957	791,932,541	274,094	182,828
16	509,296	1,925,456,579	549,714	369,346
17	262,582	862,855,563	281,874	190,642
18	260,164	847,876,871	280,017	191,160
19	174,263	526,962,974	188,144	123,896
20	265,471	856,503,042	285,678	188,315
21	278,570	929,655,504	300,772	199,218
22	348,911	1,349,498,386	376,396	249,428
23	308,436	842,207,743	336,055	205,178
National ⁽¹⁾	6,375,154	\$20,803,035,227	6,903,126	4,391,439

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-15
Veterans Affairs Health Care Analysis
Fiscal Year 2003 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	323,486	1,234,882,144	349,407	224,238
2	216,028	681,846,361	232,317	140,453
3	411,516	1,463,473,219	445,977	252,102
4	427,109	1,089,572,137	460,348	250,439
5	176,224	679,420,972	189,347	123,619
6	332,384	1,036,942,124	355,381	230,588
7	394,325	1,265,835,403	423,217	254,076
8	635,851	2,071,485,998	688,276	438,270
9	310,000	1,152,085,730	333,399	222,090
10	252,999	773,153,672	271,501	170,594
11	288,458	956,532,877	310,483	198,702
12	314,429	1,064,325,862	338,029	205,373
15	277,097	896,863,850	297,999	198,135
16	556,030	2,190,296,891	595,787	399,070
17	284,403	977,632,448	303,424	206,064
18	282,288	953,081,870	302,048	205,468
19	190,900	590,695,007	204,683	133,999
20	290,910	969,837,947	310,821	205,264
21	304,633	1,043,939,133	326,935	215,524
22	383,082	1,543,524,790	409,883	271,508
23	339,254	938,338,506	365,735	220,992
National ⁽¹⁾	6,991,405	\$23,573,766,941	7,514,999	4,766,566

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-16
Veterans Affairs Health Care Analysis
Fiscal Year 2004 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	345,444	1,365,123,190	370,383	235,964
2	229,529	754,069,648	244,639	147,318
3	442,063	1,629,382,355	474,109	266,429
4	453,490	1,206,140,304	485,307	261,962
5	189,232	756,005,838	201,827	130,984
6	354,623	1,156,887,567	376,628	243,479
7	424,123	1,417,708,466	451,812	269,228
8	681,899	2,303,339,958	731,962	462,623
9	333,071	1,281,576,684	355,324	234,716
10	269,698	864,328,241	287,374	179,931
11	309,099	1,068,064,276	330,242	210,017
12	334,809	1,161,110,104	357,448	215,101
15	295,500	996,172,102	315,347	208,445
16	592,604	2,439,778,383	630,728	419,273
17	301,597	1,087,497,152	319,854	216,619
18	299,413	1,051,826,853	318,259	215,000
19	204,028	651,514,980	217,179	140,888
20	311,204	1,078,123,975	330,182	216,882
21	324,718	1,150,766,434	345,898	226,111
22	409,323	1,723,038,057	434,624	286,127
23	361,744	1,026,531,829	386,469	231,184
National ⁽¹⁾	7,467,210	\$26,168,986,396	7,965,594	5,018,279

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-17
Veterans Affairs Health Care Analysis
Fiscal Year 2005 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	362,683	1,484,202,992	386,880	245,062
2	239,248	818,757,692	253,493	152,166
3	464,782	1,776,314,713	495,168	277,071
4	473,462	1,312,434,100	504,253	270,419
5	199,877	828,936,737	212,122	137,104
6	372,695	1,268,371,295	394,116	254,080
7	448,750	1,560,478,692	475,712	281,718
8	718,003	2,517,032,256	766,509	481,615
9	351,585	1,401,899,828	373,094	244,841
10	282,800	948,471,160	299,947	187,239
11	325,745	1,173,194,437	346,273	219,151
12	351,081	1,250,111,742	373,064	222,808
15	309,711	1,085,815,506	328,821	216,399
16	622,089	2,670,654,888	659,174	435,434
17	315,596	1,191,111,341	333,369	225,264
18	313,035	1,142,822,235	331,279	222,567
19	214,622	708,018,678	227,352	146,421
20	327,814	1,179,773,486	346,183	226,417
21	340,499	1,250,389,888	360,908	234,362
22	430,114	1,888,032,446	454,478	297,735
23	378,454	1,105,513,120	401,986	238,647
National ⁽¹⁾	7,842,646	\$28,562,337,232	8,324,183	5,216,521

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-18
Veterans Affairs Health Care Analysis
Fiscal Year 2006 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	376,003	1,596,262,250	399,591	252,030
2	246,022	877,740,733	259,584	155,486
3	481,432	1,912,898,273	510,523	284,787
4	488,215	1,411,191,602	518,183	276,354
5	208,612	899,207,913	220,600	142,124
6	387,586	1,376,977,575	408,623	262,931
7	469,378	1,698,565,367	495,860	292,057
8	746,394	2,720,994,966	793,767	496,435
9	366,575	1,516,890,095	387,553	253,017
10	293,052	1,027,525,127	309,813	192,966
11	339,123	1,274,170,372	359,190	226,482
12	364,041	1,335,499,967	385,517	228,818
15	320,604	1,170,459,791	339,160	222,448
16	646,012	2,891,329,842	682,371	448,335
17	327,067	1,291,961,794	344,508	232,368
18	323,947	1,230,762,646	341,769	228,597
19	223,199	762,219,524	235,622	150,835
20	341,490	1,277,765,573	359,426	234,240
21	352,847	1,344,654,875	372,680	240,678
22	446,805	2,045,547,728	470,560	306,967
23	390,764	1,180,056,568	413,409	243,985
National ⁽¹⁾	8,139,169	\$30,842,682,581	8,608,309	5,371,940

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-19
Veterans Affairs Health Care Analysis
Fiscal Year 2007 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	386,027	1,706,492,834	409,109	257,070
2	250,392	934,492,241	263,393	157,498
3	493,093	2,045,307,072	521,134	290,030
4	498,761	1,507,519,058	528,067	280,290
5	215,746	969,598,549	227,537	146,155
6	399,873	1,486,694,420	420,641	270,154
7	486,743	1,838,348,024	512,897	300,707
8	768,758	2,923,212,710	815,300	507,938
9	378,703	1,632,972,554	399,301	259,470
10	300,960	1,106,672,022	317,427	197,261
11	349,775	1,373,998,302	369,478	232,239
12	374,207	1,420,519,257	395,276	233,389
15	328,864	1,254,793,661	346,992	226,929
16	665,411	3,112,638,734	701,264	458,406
17	336,514	1,394,957,781	353,727	238,164
18	332,649	1,319,186,604	350,165	233,367
19	230,171	815,935,613	242,376	154,312
20	352,709	1,376,609,509	370,318	240,625
21	362,302	1,437,334,770	381,673	245,310
22	460,074	2,202,708,926	483,379	314,244
23	399,775	1,253,609,319	421,778	247,755
National ⁽¹⁾	8,371,506	\$33,113,601,960	8,831,232	5,491,311

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-20
Veterans Affairs Health Care Analysis
Fiscal Year 2008 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	393,339	1,809,191,892	416,003	260,403
2	252,845	986,724,245	265,367	158,453
3	500,807	2,166,848,128	527,964	293,158
4	505,869	1,598,028,044	534,628	282,631
5	221,540	1,039,091,996	233,174	149,368
6	409,943	1,594,147,912	430,505	275,937
7	501,370	1,976,315,232	527,288	307,984
8	786,290	3,120,285,544	832,212	516,729
9	388,443	1,745,681,004	408,740	264,485
10	306,951	1,181,475,885	323,185	200,342
11	358,142	1,471,353,458	377,541	236,586
12	382,000	1,501,451,324	402,717	236,715
15	334,983	1,335,553,814	352,778	230,063
16	681,035	3,326,626,415	716,501	466,100
17	344,224	1,496,305,152	361,267	242,718
18	339,584	1,405,619,413	356,867	237,016
19	235,790	869,448,428	247,828	156,966
20	361,823	1,473,978,464	379,176	245,736
21	369,303	1,525,389,696	388,286	248,439
22	470,473	2,354,020,561	493,400	319,676
23	406,216	1,323,721,836	427,741	250,192
National ⁽¹⁾	8,550,970	\$35,301,258,443	9,003,165	5,579,698

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-21
Veterans Affairs Health Care Analysis
Fiscal Year 2009 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	398,328	1,903,025,808	420,591	262,386
2	253,688	1,033,845,238	265,782	158,494
3	505,208	2,272,563,803	531,561	294,614
4	510,071	1,681,954,945	538,323	283,585
5	226,177	1,106,215,204	237,676	151,900
6	418,152	1,697,237,941	438,537	280,610
7	513,686	2,110,950,664	539,418	314,044
8	799,800	3,308,591,597	845,183	523,236
9	396,202	1,854,039,550	416,250	268,313
10	311,376	1,251,870,531	327,402	202,488
11	364,570	1,563,347,081	383,696	239,772
12	387,772	1,578,959,070	408,169	238,940
15	339,287	1,411,655,937	356,776	232,086
16	693,447	3,529,610,093	728,584	471,907
17	350,514	1,594,321,455	367,414	246,354
18	344,974	1,487,415,037	362,060	239,743
19	240,257	920,159,239	252,153	158,967
20	369,177	1,567,218,917	386,315	249,783
21	374,293	1,607,488,669	392,933	250,366
22	478,397	2,498,112,944	500,999	323,638
23	410,534	1,388,941,565	431,617	251,548
National ⁽¹⁾	8,685,908	\$37,367,525,288	9,131,439	5,642,773

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-22
Veterans Affairs Health Care Analysis
Fiscal Year 2010 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	401,368	1,989,834,083	423,251	263,220
2	253,243	1,075,785,645	264,947	157,833
3	506,909	2,370,335,955	532,533	294,594
4	511,921	1,758,784,527	539,690	283,481
5	229,835	1,170,526,605	241,213	153,835
6	424,682	1,796,646,020	444,901	284,211
7	523,972	2,242,387,078	549,553	319,077
8	809,993	3,488,746,921	854,899	527,890
9	402,173	1,957,063,881	421,995	271,122
10	314,461	1,318,285,532	330,292	203,845
11	369,322	1,650,176,211	388,197	241,939
12	391,829	1,651,206,027	411,923	240,282
15	342,112	1,482,542,572	359,330	233,221
16	703,084	3,722,146,596	737,928	476,032
17	355,547	1,689,247,140	372,322	249,226
18	349,068	1,565,106,727	365,987	241,693
19	243,768	968,732,267	255,542	160,408
20	375,001	1,657,133,294	391,952	252,922
21	377,545	1,682,895,675	395,877	251,271
22	484,240	2,634,961,944	506,562	326,329
23	413,145	1,449,926,518	433,852	251,997
National ⁽¹⁾	8,783,219	\$39,322,471,218	9,222,746	5,684,427

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-23
Veterans Affairs Health Care Analysis
Fiscal Year 2011 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	402,726	2,070,098,665	424,217	263,112
2	251,713	1,113,053,513	263,046	156,569
3	506,342	2,459,268,229	531,255	293,489
4	511,836	1,829,316,285	539,120	282,543
5	232,630	1,231,940,691	243,884	155,223
6	429,804	1,891,234,414	449,852	286,934
7	532,516	2,369,741,536	557,943	323,237
8	817,388	3,662,112,182	861,774	530,928
9	406,749	2,052,727,751	426,356	273,073
10	316,404	1,379,049,954	332,054	204,516
11	372,680	1,731,087,827	391,314	243,335
12	394,313	1,718,688,751	414,101	240,831
15	343,732	1,547,785,018	360,694	233,595
16	710,305	3,905,374,626	744,865	478,833
17	359,469	1,782,234,634	376,122	251,364
18	351,981	1,640,047,715	368,739	242,945
19	246,461	1,015,490,852	258,116	161,409
20	379,465	1,745,103,490	396,231	255,283
21	379,330	1,753,349,029	397,364	251,368
22	488,305	2,767,845,145	510,364	327,941
23	414,260	1,504,651,863	434,616	251,729
National ⁽¹⁾	8,848,411	\$41,170,202,170	9,282,026	5,708,258

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-24
Veterans Affairs Health Care Analysis
Fiscal Year 2012 Projections by VISN

<u>VISN</u>	<u>Projected Average Enrollment</u>	<u>Estimated Healthcare Expenditures</u>	<u>Projected Unique Enrollees</u>	<u>Projected Unique Patients</u>
1	402,876	2,128,155,009	424,082	261,946
2	249,349	1,139,712,142	260,362	154,834
3	504,087	2,524,045,837	528,405	291,196
4	510,394	1,884,896,805	537,320	281,327
5	234,693	1,283,486,187	245,850	156,130
6	433,689	1,965,215,723	453,607	288,308
7	539,504	2,486,846,351	564,823	327,264
8	822,863	3,818,721,015	866,947	532,957
9	409,977	2,127,952,294	429,409	273,876
10	317,432	1,423,939,052	332,936	204,387
11	374,963	1,793,394,524	393,415	243,699
12	395,585	1,772,559,908	415,113	240,610
15	344,448	1,597,085,912	361,229	233,052
16	715,416	4,054,438,986	749,719	479,797
17	362,351	1,864,805,685	378,892	252,457
18	354,004	1,699,928,179	370,650	243,425
19	248,413	1,053,569,535	259,984	161,770
20	382,618	1,822,167,674	399,225	256,797
21	379,719	1,807,052,169	397,474	250,407
22	490,571	2,879,827,644	512,330	327,953
23	414,582	1,546,575,493	434,769	250,941
National ⁽¹⁾	8,887,532	\$42,674,376,124	9,316,541	5,713,131

(1) National totals may not match sum of VISN entries due to rounding.

Exhibit I-25
Veterans Affairs Health Care Cost Analysis
Relative Impacts of Model Assumptions by VISN

VISN	Reliance	Morbidity	Age/ Gender	VA Unit Costs	Area	Other*	Total
1	0.96	1.00	1.05	1.10	1.02	1.03	1.16
2	0.92	0.89	1.04	1.06	1.01	1.02	0.93
3	0.74	0.92	1.09	1.19	1.17	1.02	1.05
4	0.72	0.87	1.06	1.01	1.09	1.03	0.75
5	1.11	0.97	0.97	1.06	1.03	1.00	1.14
6	1.04	1.02	0.95	0.85	1.01	1.04	0.90
7	0.99	1.00	0.94	0.93	1.05	1.02	0.93
8	0.96	0.95	1.06	0.90	1.10	1.02	0.98
9	1.11	1.04	0.98	0.91	1.07	1.02	1.12
10	0.94	1.01	0.98	0.97	0.97	1.01	0.88
11	0.99	1.02	1.00	1.01	0.96	1.01	0.99
12	0.92	1.12	1.03	1.01	0.98	1.01	1.06
15	1.07	1.01	1.02	0.90	0.96	1.01	0.96
16	1.08	1.02	0.98	0.94	1.10	1.02	1.14
17	1.11	1.00	0.94	0.93	1.01	1.00	0.98
18	1.13	1.02	1.00	0.96	0.88	1.02	0.99
19	1.08	1.11	0.97	0.96	0.82	1.03	0.94
20	1.20	1.14	0.89	1.04	0.75	1.03	0.98
21	1.10	1.00	0.98	1.11	0.85	1.01	1.03
22	1.12	0.98	0.92	1.19	0.97	1.01	1.18
23	0.94	1.03	1.07	0.98	0.86	1.01	0.88
National	1.00	1.00	1.00	1.00	1.00	1.00	1.00

* Other includes the impact of all remaining model assumptions, such as copay utilization and actual to expected adjustments.